

## HIGHLIGHTS



# How does international migration affect ACP rural development?

## Brussels Development Briefing no. 8

Brussels, 11<sup>th</sup> December 2008

On 11th December 2008, CTA and other partners convened the sixth 'Brussels Development Briefing' - part of a series of bimonthly Development Briefings on ACP- EU rural development issues. Around 70 participants gathered in Brussels to discuss the challenges that international migration pose to ACP rural development.

**How does international migration affect ACP rural development?** This Briefing explored the links between migration and rural development and the costs and benefits for ACP countries. It discussed how cash remittances sent by Diaspora benefit home countries and their impact on rural development. It addressed how to ensure that the migration of highly skilled workers (brain drain) benefits both destination and origin countries and finally how the skills and resources of returning or circulating immigrants can be enhanced and used to support development efforts of their countries of origin.

This Briefing was a joint initiative of CTA, European Commission (DG DEVCO), the ACP Secretariat and ACP Group of Ambassadors, CONCORD and various media.

For more information on the Brussels Development Briefings visit [www.brusselsbriefings.net](http://www.brusselsbriefings.net)



Mr Klaus Rudischhauser

## Promoting dialogue and coordination

**Dr Hansjörg Neun, CTA Director, opened the 8th Brussels Development Briefing by recalling the International Migrants Day on 18 December and by calling upon speakers and participants to collect ideas and contributions to better engage and cooperate with migrant groups.**

Mr Klaus Rudischhauser, Director at the Directorate- General Development of the European Commission, warned that the current financial crisis could seriously reduce not only Overseas Development Assistance (ODA) and Foreign Direct Investments (FDI) but also remittances. Among the initiatives undertaken by the EU to address the challenges posed by international migration, Mr Rudischhauser listed the Global Approach to Migration, adopted in 2005, which strives to facilitate legal migration, curb illegal migration, and better integrate migration and development policies. Furthermore, the issue of migration and mobility of employment represent one of the eight priorities of the EU-Africa partnership, adopted



Cecile Riallant

in 2007. Moreover, the Migration Information Centre opened this year in Bamako, Mali, as an example of a better cooperation and integration of migration and development.

A conference on policy coherence for development will be held in 2009 and will focus on how to better integrate migration and development.

In order to support faster and better remittances, the opening of an African Remittances Institute is planned. Finally, the EU wants to promote the creation of a European diaspora platform to facilitate more structured dialogue with diaspora communities.

Cecile Riallant, Deputy Programme Manager of the EU-UN Joint Migration and Development Initiative (JMIDI), illustrated this inter-agency collaboration between the UNHCR, UNFPA, ILO and IOM, implemented by the UNDP Brussels Office in partnership with the EC. JMIDI's main objectives are: (i) setting up and reinforcing networks of actors working on migration and development. To this end, 10 million euros will be allocated to projects, and civil society organisations are invited to submit project proposals

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Ms. Tamara Keating



Mr. Robert Meins



Mr. Peter Hansen

on remittances, migrant communities, migrant capacities and migrants rights. Organizations will not only be supported with financial aid, but also via capacity building; (ii) Identifying good practice in the field, and creating a platform for practitioners to exchange knowledge and information and learn from each other; (iii) Feeding policy-making on migration and development.

### “Managed migration” for development

Chaired by H.E. M. Girma Asmerom Tesfay, Ambassador of Eritrea in Brussels, the first panel was opened by Tamara Keating, from the International Organization for Migration (IOM), who provided an overview of trends and key challenges and opportunities on migration and development.

She called for “managed migration” as the best way to ensure that migration works for development, while human rights of migrants are protected.

3% of the world population are migrants, which amounts to around 200 million people. This number has doubled since 1965. Contrary to the public perception, only 9% of migrants from Africa settled in Europe while 47% of African migrants settled in another African country. Ms. Keating highlighted the complex interactions between migration and development, wondering whether higher development aid would prevent more migration or would increase it, giving

more people the basic economic means to leave their home. Another important issue is the link between migrant diasporas and development, and the role of remittances. Ms. Keating provided an example of how the knowledge and skills of migrants could be employed to serve the country of origin. The MIDA (Migration for Development in Africa) framework was founded by a Ghanaian migrant in Italy, who started selling pineapples from West Africa in Italy. Today, it is a capacity-building programme, which helps to mobilize competencies acquired by African nationals abroad. In Northern Kivu, for example, MIDA experts train professors and students of the University of Graben in farming and cultivation methods or land usage.

Ms. Keating pointed out that, given the increasing migratory flows and remittances, there is an urgent need for effective migration management, to ensure that migration supply meets demand, that human rights of migrants are upheld and protected, and that migration effectively works for development.

### Long-term migration and remittances

Robert Meins, Remittances Specialist from the Inter-American Development Bank, outlined the importance of remittances from a financial perspective, taking into account the possible consequences of the current financial crisis.

In some Caribbean countries, remittances constitute a major part of the national GDP. For example, in 2007 the share of remittances was 43% of GDP in Guyana and 35% in Haiti. In terms of population receiving remittances, the Dominican Republic leads the statistics with 38% of the population, followed by Haiti with 31%.

More than 60%, and in some countries even 80%, of remittances are spent on daily necessities, which is sometimes incorrectly labeled an “unproductive use”. However, remittances are perhaps the “most successful poverty reduction programme”, because people use money to satisfy basic needs concerning food, clothing or shelter. The remaining 20–40% are mostly invested in human capital, such as health-care or education.

When looking at the trend of remittances flows to Latin America and the Caribbean, one can see that remittances are steadily increasing around 1,5% per year. Factors influencing remittances include:

(i) Economic situation: in times of economic boom, there is a substantial need for low-skilled workers, which can only be satisfied with migration. In times of economic downturns, migrant workers are likely to lose their jobs, but they have proven to be the most flexible workers; (ii) Inflation: everywhere around the world, commodity and fuel prices sharply increased in 2008. Thus, families have to spend more of the remittances on

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H.E. Mr. Tesfay



H.E. Ms. Gilbert Roberts



Ms. Leila Rispens-Noel

daily needs instead then investing them into human capital; (iii) Migration climate: by migrant work, immigration and employment laws have a major potential influence on remittances; (iv) Exchange rates: appreciation or depreciation of the Dollar or the Euro increases or decreases remittances in local currency terms.

The financial crisis poses short-term downside risks to remittances flows but migrant workers have proven to be very flexible in coping with deteriorating circumstances. In times of economic downturn or inflation, they change jobs, work longer, have multiple jobs or consume less in order to send more money home. And if the immigration climate worsens, migrant workers often move. Returning home is only the very last resort.

According to Mr Meins, remittances are very different from ODA and FDI because they are not tied to profit, but are a family obligation. Therefore “long-term migration and remittances will not fall due to the financial crisis”, he concluded.

### Remittances as a development tool

Peter Hansen from the Danish Institute for International Studies (DIIS) fed the discussion with the conclusions of his research on remittances in Africa. In contrast to the previous speakers, he rather highlighted the critical aspects of the “remittance mantra”. In the worst case, he argued, the argument

of remittances is used by governments to circumvent their responsibility for development.

“We do not have a really good idea of what is going on” due to the lack of data on migrants and remittance flows”, Mr. Hansen regretted. However, we know that North Africa is the major recipient of the African continent, while Sub-Saharan Africa only receives little remittances. The top ten recipients by volume of remittances among the Sub-Saharan countries only get between 800-1200 million US dollar, while Morocco benefits from more than 60 billion US dollar annually. According to Mr. Hansen, the importance of remittances in Sub-Saharan Africa is overestimated. In comparison with ODA and FDI, the volume of officially registered remittances is rather little (11 billion US dollars in 2007 in comparison with 22 billion US dollars FDI and 26 billion US dollars ODA). However, remittances to Sub-Saharan Africa are mostly sent with the help of informal or personal networks, rather than through bank, which makes it difficult to estimate the real amount. As an example, Mr Hansen quoted the “hawala” in Somalia, and the transport sector in Tanzania and Kenya, which function as a money transfer system.

Mr. Hansen identified several opportunities, such as the strengthening of the financial sector. This could be reached through the introduction of banks in rural areas, deregulation of the remittances markets to increase competition and

lower costs, and the use of the internet and SMS to transfer money.

Despite these opportunities, Mr. Hansen keeps his skeptical view on the “remittance mantra”. In his words the development debate around remittances tends to turn diasporas into instruments for development. But we have to wonder if development really lies within the responsibility of diasporas. “What can we ask from migrants who often live in hardship and with the burden of sending remittances?”, he asked. The focus on remittances should not divert from the fact that the state has the most important role in development.

### Migration and development: new dimensions

Besides expressing his thanks to the presenters for the food for thought they provided, H.E. Mr. Tesfay summed up the discussions by pointing out some key issues that had arisen from their interventions.

He first he recalled the lack of data on remittances flows: since most of the remittances go through the informal sector, it is on the role of informal flows that we should look more carefully at, he stated.

Then he emphasized that migration impacts on rural development should



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Ms. Alache Ode



Mr. Ken Ndiaye

be more comprehensively explored: food production, stress on cities and on developing countries and human trafficking are among the migration dimensions that affect the rural sector in terms of health infrastructures, brain drain and brain gain. In his words, all these issues are now popping up in the international agenda and represent new dimensions and key challenges for the broader migration and development agenda.

### Assessing the diaspora contribution to the home country's development

As the chair of the second panel, H.E. Ms. Marcia Gilbert-Roberts, Ambassador of Jamaica in Brussels, introduced the discussions.

In her words, a discussion on the challenges and opportunities related to the broad issue of migration and development is most timely: with the international community seeking solutions to the financial and economic crisis, diaspora, transfer of knowledge, gainful economic activities, remittances and their links to development will most likely attain an increasing higher profile in national and multilateral development agenda.

H.E. Ms. Gilbert Roberts then pointed out that the panel would help to determine if and how diaspora plays a role as agent of change and whether it

can assume the status of development partner.

Other key issues to be explored include the input of diaspora for the development of the country of origin, particularly in the context of the concerns arising from issues such as the depletion of critical skills in those countries, the role of diaspora networking in the formulation and implementation of development policies and the opportunities for effective multi-stakeholder partnership, including public and private partnership.

### Working with Migrant Diasporas

According to Leila Rispens-Noel from Oxfam Novib, the role of remittances in agriculture is huge, and has the potential of a successful upscaling, with effective financial and technical support and capacity- building, projects.

Oxfam-Novib decided to promote development through migration with the help of LINKIS, a facility to support small and large projects initiated by diaspora organisations in the Netherlands and in their countries of origin. Assistance does not only include financial and technical support, but also capacity building trainings on project management or fundraising and lobbying. So far, Oxfam-Novib supported a range of diaspora organizations from different African countries, and it has enabled migrant

leaders to participate in international migration conferences. Until 2010, Oxfam-Novib strives to establish national, regional and international migrant- led networks of diaspora organizations in order to influence policies and practices in host and home countries.

Ms. Rispens-Noel presented some of the lessons learned within Oxfam-Novib. Diaspora organizations have different levels of organizational capacities, and therefore sometimes have difficulties in arranging good proposals and business plans. Not all organizations have the capacities to manage large projects. She underlined that only few migrants are interested and committed in development work, which makes them even more key. Thus, it is crucial that productive projects get the technical assistance and enabling environment they need for a successful upscale.

As a concluding remark, Mrs. Rispens-Noel stressed that migrants alone cannot and should not manage development. What we need are inclusive partnerships between migrants, development agencies, governments, multilateral and international organizations and the private sector to increase diaspora initiatives effectiveness. "Governments have to invest in infrastructure, we cannot expect migrants to invest in agriculture without existing infrastructure", she pointed out.

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### Diaspora contribution to rural development

Alache Ode, Chairperson of the Board of the African Foundation for Development (AFFORD) and manager of the Diaspora Volunteering Initiative of the Voluntary Service Overseas (VSO), focused her presentation on the diaspora contribution to rural business development.

Diaspora is a controversial concept, constantly evolving. Elements of the working definition include de-territoriality, hybridism (link to home and host countries) and emotional, family or financial links to the home country. Belonging to a diaspora also depends on the self-definition of the migrant. Two views of diaspora exist: a negative connotation of diaspora members, victimizing them and attributing loss of origin and place to Diaspora. The view which is preferred by Ms. Ode supports a more positive one, associated with voluntary, young and spore. Diasporas can be valued as seeds providing new perspectives on our connected world.

AFFORD case studies show the potential of diaspora-led volunteering activities in transforming rural communities through sustainable business development. Programmes included business training and mentoring of small businesses through volunteers, partnerships with universities, local and national governments departments, negotiation of new financial packages with banks for small businesses, support of cooperatives or establishment of business centres. All this resulted in remarkable job

creation through micro and medium enterprises and entrepreneurs.

Ms. Ode called for “the diaspora option”, which means to develop concrete, realistic and practical policies that draw upon diaspora, their knowledge, skills and financial resources to stimulate, harness and consolidate development.

### What role for the diasporas?

Ken Ndiaye, socio-anthropologist and entrepreneur, rounded up the session with his personal perspective and experience on migrants' life in Belgium. He managed to bridge the gap between home and host country with his restaurant “L'Horloge du Sud” and his own label SAFSAP for Southern products from ecological agriculture and fair trade.

Mr. Ndiaye warned to be careful when talking about “migrants as instruments for development”. He has often be approached to support charity events for free, “because it is to help his people”. “But with what should I live, if I am never paid?”, he wondered. According to Mr. Ndiaye, these episodes reflect the general view people have of Diaspora or migrant communities.

Migrants first have to fulfill their main and most important task, namely integrating in the new host country. In order to do so, there are several laws to know, and thousands of things to learn to manage daily life.

Mr. Ndiaye argued that migrants have to pay a triple tax: being a new citizen of the host country, they

have to pay the official taxes to the government, just like every other citizen. Furthermore, all migrants are faced with the expectations of family and friends from their home country to provide them with financial support. Finally, as a member of the diaspora in the host country, a migrant is constantly faced with the expectation of his fellow citizens to be a “good migrant”, and so to do everything possible to raise money and awareness for the development of his country of origin.

Since 11 years, Mr Ndiaye is running the restaurant “L'Horloge du Sud” in Brussels, which promotes products and culture from the South, especially from Africa. He also sells products made from the hibiscus flower, such as juice, jam or concentrated extract under his own label SAFSAP. These products come from the South, are grown organically and traded fairly. This is his personal way to be an active citizen, to promote North-South relations and to bridge the gap between his host country, Belgium, and his home country, Senegal.

The next Briefing will take place the 25th February 2009 and will deal with “Land access and rural development: New threats, new opportunities”.

### Further information available online

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